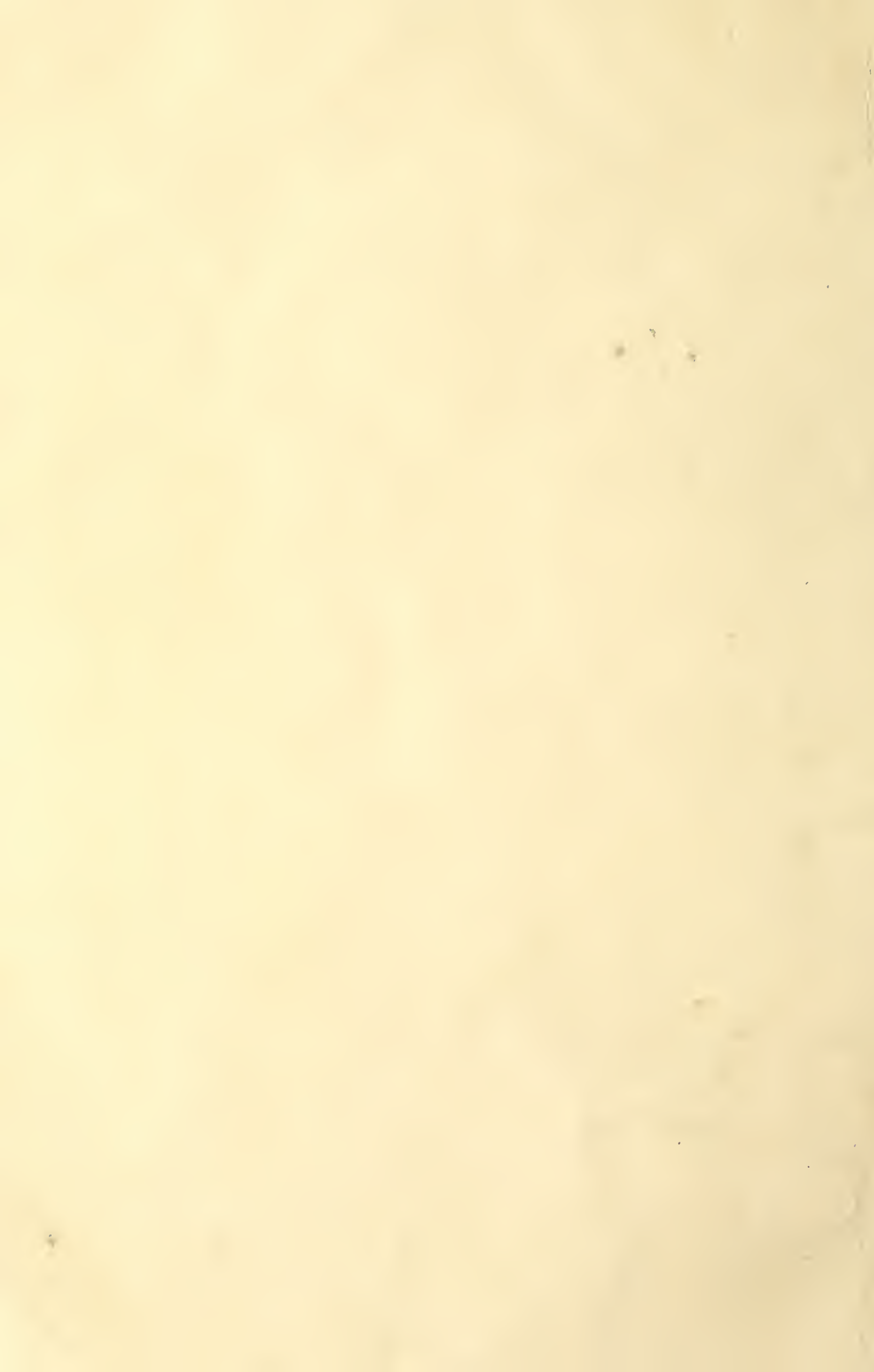


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UNITED STATES DEPARTMENT OF AGRICULTURE
 BUREAU OF AGRICULTURAL ECONOMICS
 WASHINGTON

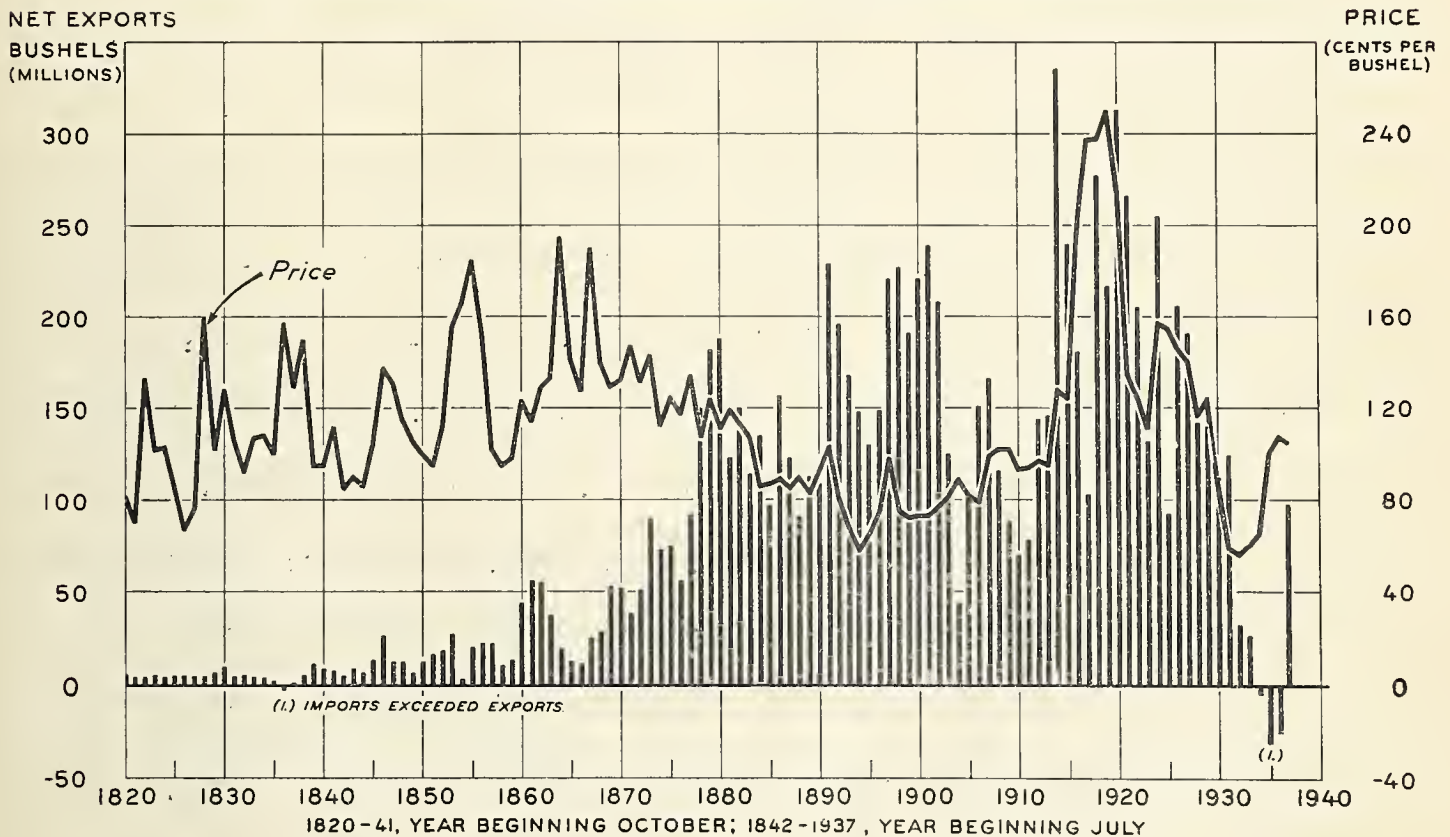
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SEPTEMBER 23, 1938

 THE WHEAT SITUATION
 INCLUDING RYE

WHEAT: NET EXPORTS AND EXPORT PRICE, UNITED STATES, 1820-1937



NEG. 14265-A BUREAU OF AGRICULTURAL ECONOMICS

U.S. DEPARTMENT OF AGRICULTURE

UNITED STATES EXPORTS OF WHEAT INCREASED FROM 1865 TO 1900, DURING A PERIOD IN WHICH PRICES WERE DECLINING. THEN EXPORTS FELL OFF UNTIL 1910, WHEN PRICES WERE ADVANCING. THE UNUSUAL DEMAND WHICH DEVELOPED DURING THE WAR INCREASED BOTH EXPORTS AND PRICES. SINCE THE WAR WHEAT EXPORTS HAVE DECLINED STEADILY, AND IN 1934, 1935, AND 1936, IMPORTS OF MILLING AND FEED WHEATS WERE NECESSARY BECAUSE OF SMALL UNITED STATES CROPS OF HARD RED SPRING AND DURUM WHEATS AND SHORT FEED SUPPLIES. PRIOR TO THIS TIME NET IMPORTS OCCURRED ONLY ONCE - IN 1836. WITH A LARGE WHEAT CROP IN THE UNITED STATES IN 1937, AND A REDUCED PRODUCTION IN CANADA AND ARGENTINA, ABOUT 100 MILLION BUSHELS WERE EXPORTED IN 1937-38.

THE WHEAT SITUATION
- Including Rye -

Summary

Prospective world wheat supplies* for the year beginning July 1, 1938, are now indicated to be about 585 million bushels more than a year ago. World stocks* of old wheat about July 1 have been estimated at about 595 million bushels, or about 75 million bushels more than a year earlier. World wheat production* is now estimated at around 4,345 million bushels, which is 510 million bushels more than the crop of last year. The crop in the Northern Hemisphere* is indicated to be about 3,860 million bushels, or 470 million bushels more than was harvested last year. On the basis of weather conditions to date, a production of 260 million bushels is indicated for Argentina and 150 million bushels for Australia, which together represent an increase of about 35 million bushels compared with last year.

With low prices and abundant supplies, disappearance during the present season may approximate 3,830 million bushels, and carry-over on July 1, 1939, on the basis of present crop prospects, would be expected to be about 1,145 million bushels, which would compare with the record carry-overs in 1933 and 1934 estimated at 1,144 and 1,193 million bushels, respectively.

Carry-over stocks of old wheat in Europe at the beginning of the new season were practically unchanged from those of a year earlier. During the current season there may be an increase in reserve stocks in several of the European countries, including France, Germany, the United Kingdom, and the Danube Basin countries. The extent of the probable increases would depend largely upon political developments and upon the 1939 wheat outturn.

*All references to world and Northern Hemisphere supplies, production, and disappearance exclude Soviet Russia and China.

Total world net imports of wheat for the year beginning July 1, 1938 are now estimated at about 50 million bushels above those of last season. Countries which will probably increase their imports include the United Kingdom, Italy, and Spain. German imports seem likely to be maintained at a fairly high level, largely for the purpose of building up stocks.

Exports from the southern part of Soviet Russia this season have been heavier than in any year since 1931, amounting to about 24 million bushels for the July 1-September 17 period. This heavy movement is probably accounted for by a sizable carry-over of old crop wheat, the good harvest in the southern export regions, the early maturing of this year's crop, and by the large proportion of combines used in harvesting the wheat crop in the South, which tends to increase the quantity of threshed grain available immediately after harvest. It seems reasonable to expect a slackening of exports as the season progresses, especially since prospects this year are estimated to be 25 to 30 percent below that of last year's good crop.

Total United States wheat supplies are now estimated at 1,094 million bushels, consisting of a carry-over of 154 million bushels of old wheat, and a crop of 940 million bushels. Utilization may amount to about 700 million bushels, which would leave about 395 million bushels for export and carry-over. If about 100 million bushels are exported, carry-over stocks on July 1, 1939 would be expected to total about 295 million bushels, or, without insurance stocks about 265 million bushels. This compares with 325 million bushels, the average for the 1930-34 period, when stocks reached record size.

Wheat prices in United States markets are generally about the same as a month ago, even though prices in important foreign wheat markets are lower. Factors which have supported domestic prices are: smaller offerings as

prices continued below the Government loan basis; announcement of conservation and price adjustment payments in connection with the 1939 agricultural program announcement of the surplus wheat and flour purchase and export program, together with the possibilities of a general European War which might stimulate the demand for export.

World rye production is now indicated to be about 100 million bushels above the harvest of last year. Production in North America is about 10 million bushels above that of 1937. The three largest European producers, Germany, Poland and Czechoslovakia combined, show an increase of about 85 million bushels, while in the Danube Basin countries, the indicated increase is about 16 million bushels.

THE WORLD WHEAT SITUATION

BACKGROUND.- Total world supplies 1/ increased sharply from 1924 to 1933, largely as the result of the increase in acreage. From 1933 to 1936 world supplies declined following successive years of small production and increased world demand. In 1937 world supplies were only moderately larger than in 1936.

During the 1924-33 period, when world supplies were increasing, world prices were declining, reaching the low point as supplies reached the high point. From the spring of 1933 to the summer of 1937, world prices moved steadily upward, reflecting higher world commodity price levels, four successive below-average harvests in North America, and the 1935-36 short Southern Hemisphere crop. In 1936-37 wheat prices advanced sharply as a result of increased demand and the smallest supplies in recent years. Then, during the 1937-38 selling season, wheat prices declined generally, with somewhat larger supplies, uncertain prospects for world business activity, and weakness in the general price level.

World wheat supplies and disappearance 1/.

Table 1 shows the estimated supply for the year beginning July 1, 1938, compared with a year earlier. Total supplies for the current year are now estimated to be 580 million bushels larger than a year ago. Stocks are estimated to be 76 million bushels larger and production 507 million

1/ Stocks, production, and disappearance for Soviet Russia and China are excluded throughout this report.

bushels larger than a year earlier. Table 1 also shows the apparent disappearance last season to have been 3,798 million bushels. This compares with an average of about 3,775 million bushels during the last 10 years. With low prices and abundant supplies, the disappearance during the present season may approximate 3,830 million bushels.

Table 1.-Estimated world supply and disappearance 1/ year beginning July 1, 1937 and 1938

Item	Year beginning July 1		1938 compared
	1937	1938	with 1937
	Mil. bu.	Mil. bu.	Mil. bu.
Old-crop stocks <u>2/</u>	519	595	+ 76
Production <u>3/</u>	3,836	4,343	+ 507
Total supply	4,355	4,938	+ 583
Net exports from Soviet			
Russia	4/ 38	5/ 35	- 3
Total of above	4,393	4,973	+ 580
Year end stocks	595		
Apparent disappearance	3,798		

1/ Excluding stocks and production in Soviet Russia and China, but including net exports from Soviet Russia. 2/ See tables 2 and 3 for estimates of stocks by countries. 3/ See table 4 for estimates of production by countries. 4/ Partly estimated. 5/ See text, page 14.

World wheat stocks

World old-crop wheat stocks on about July 1 are now estimated at 595 million bushels, which is 76 million bushels larger than a year earlier, and about 80 million bushels smaller than the average of the 5 years prior to 1929, after which time very large stocks began to accumulate. Estimated stocks by countries are shown in tables 2 and 3.

If disappearance approximates 3,830 million bushels, and production and exports from Soviet Russia approximate 4,378 million bushels, stocks on about July 1, 1939, may be about 1,145 million bushels. Other years in which stocks 2/ were above 1 billion bushels were as follows:

<u>Year</u>	<u>Million bushels</u>
1929	1,020
1931	1,046
1932	1,043
1933	1,144
1934	1,193

2/ Includes some new wheat in United States stocks.

Table 2.- Estimated world old crop wheat stocks 1/, about July 1, 1937 and 1938

Countries	1937	1938	1938 compared with 1937
	Million bushels	Million bushels	Million bushels
United States <u>2/</u>	83	155	+ 72
Canada <u>3/</u>	52	35	- 17
Argentina <u>4/</u>	59	75	+ 16
Australia <u>5/</u>	53	60	+ 7
Danube <u>6/</u>	35	40	+ 5
Others and afloat	80	80	0
Total of above	362	445	+ 83
Europe, excluding Danube and Soviet Russia <u>6/</u>	157	150	- 7
Total <u>1/</u>	519	595	+ 76

1/ Excludes Soviet Russia and China.

2/ Old-crop wheat only.

3/ Carry-over July 31, plus net exports and retention of flour for July, including Canadian wheat in the United States.

4/ Carry-over on December 31, plus exports and domestic consumption, July 1-December 31.

5/ Carry-over on December 1, plus net exports and domestic consumption July 1-November 30.

6/ Estimated by the European offices of the Bureau of Agricultural Economics.

See table 3 for estimates by countries.

Stocks in European countries 3/

Carry-over stocks of old wheat in Europe on August 1, 1938 4/, estimated at 190 million bushels, were practically unchanged from a year earlier, when they were the smallest in many years. For the countries outside of the Danube Basin and Soviet Russia, the carry-over of old crop stocks into the new season is estimated at about 150 million bushels. Estimates by countries for the past 5 years are shown in table 3, which also contains estimates of "normal" carry-over stocks.

During the current season there may be an increase in the reserve stocks in several European countries, including France, Germany, the United Kingdom, and the Danube Basin countries. This would be the result of larger crops in several of the countries, the lower prevailing level of wheat prices compared with those of last year, and the uncertain political situation. The extent of the probable increase would depend upon political developments and the 1939

3/ Reported by the European offices of the Bureau of Agricultural Economics.

4/ Stocks of old wheat before the new crop moved to market; August 1 arbitrarily chosen to represent the mid-point between the beginning of the European harvest in June and the end in September.

wheat outturn. The Berlin office of the Bureau of Agricultural Economics is of the opinion that the increase in reserve stocks at the end of the present marketing year might possibly approach 75 million bushels, and that total stocks in European countries might be about 100 million bushels larger at the end of the present marketing year than at the beginning.

Table 3.- Estimated carry-over of old crop wheat about August 1 ^{1/} in European countries, 1934 to 1937 and estimated normal

Country	:"Normal" 2/	1934	1935	1936	1937	1938 ^{3/}
	:Million :bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Belgium	4.4	4.0	3.3	3.5	5.1	2.8
Czechoslovakia	4.8	12.9	12.9	25.7	14.7	9.2
Denmark	1.5	1.3	2.0	1.8	1.3	1.7
Estonia	0.2	0.2	0.4	0.3	0.2	0.3
Finland	0.7	0.6	0.7	0.7	0.9	1.3
France	20.2	117.6	91.9	49.6	26.5	12.9
Germany	12.9	55.1	49.6	25.7	18.4	29.4
Austria	1.8	2.4	2.0	1.7	2.2	2.4
Greece	3.1	3.3	3.3	3.7	3.7	5.5
Ireland	1.7	1.7	1.7	1.8	1.5	1.5
Italy	20.6	44.1	16.5	22.0	18.4	25.7
Latvia	0.6	0.9	1.5	0.6	0.6	0.7
Lithuania	0.7	0.7	1.5	0.9	0.7	0.7
Netherlands	2.9	3.3	2.4	2.9	4.0	2.2
Norway	0.7	1.8	2.0	1.7	2.0	1.7
Poland	5.1	9.2	8.8	5.5	6.4	5.5
Portugal	1.5	3.3	9.2	7.3	1.5	1.1
Spain	10.5	18.4	40.4	33.1	9.2	7.3
Sweden	1.8	3.5	3.3	3.1	2.8	2.6
Switzerland	2.9	6.4	6.8	6.2	6.1	5.7
United Kingdom	34.9	42.3	34.9	31.2	31.2	29.4
Europe, excluding Danube and Soviet Russia	133.5	333.0	295.1	229.0	157.4	149.6
Danube Basin	27.6	33.1	22.0	33.1	34.9	40.4
Total Europe, excluding Soviet Russia	161.1	366.1	317.1	262.1	192.3	190.0

^{1/} Refers to stocks of old wheat before the new crop moved to market; August 1 arbitrarily chosen to represent the mid-point between the beginning of the European harvest in June and the end in September. Estimates by European offices of the Bureau of Agricultural Economics.

^{2/} In general, this approximates one month's average requirements for human consumption. These figures are revised from time to time to take account of changing consumption.

^{3/} Preliminary.

World wheat crop prospects

The first official estimate of the total wheat crop in Canada is placed at 358,433,000 bushels. This includes 22,000,000 bushels of durum, 316,396,000 bushels of other spring wheat, and 20,037,000 bushels of fall-sown wheat. The total is the largest since 1932, when the production was estimated at 443,061,000 bushels. The Dominion Bureau of Statistics reports that rust damage has affected the quality of a fair proportion of the harvest so that the grading of the crop may not average above that of the 1937 crop.

The total wheat crop in Europe, now estimated to be about 1,745 million bushels, approaches the record crop of 1933. The unusually large production was made possible by the very favorable weather conditions which prevailed throughout the latter part of the growing season and during the harvest. Most of the countries show increases over last year, the largest being for France and Italy. The official estimate of the Italian production, now placed at 297 million bushels, is very generally believed to be much higher than is justified. Production in the Danube Basin is now estimated to be almost 80 million bushels above that of last year. Substantial gains are reported for all of the countries except Bulgaria.

The present outlook for Soviet Russia indicates a total wheat crop well below that of 1937. Excessive heat and prolonged drought during the current season affected spring wheat severely, and to a lesser degree damaged the winter crop. The net "barn" production for this year is estimated to be 25 to 30 percent less than the rather good crop of last year. The quality of the crop is reported to be generally poor. In the drought area fall plowing for the spring crops is proceeding slowly.

Estimates for northern Africa now indicate a total production slightly below that of 1937.

The 1938 harvest in India, now placed at 402,450,000 bushels, is generally believed by British and Indian grain traders to be overestimated. This belief is based on reports that the yields in many parts of the country are not as high as had been expected, on account of unfavorable weather during the latter part of the growing season. The trade estimates that the crop will not exceed 380 million bushels.

The combined harvest of wheat in China, Japan, and Manchuria, is estimated to be about 5 percent below the small 1937 crop, and is about 23 percent below average. The 1938 production in China is now estimated to be 616 million bushels compared with the small 1937 production of 640 million bushels and the 1936 crop of 790 million bushels. The Japanese production is now tentatively estimated to be about 45 million bushels compared with the 1937 production of 50,410,000 bushels. Small yields per unit account for the decrease. The quality of the new crop is reported to be much below average, because of damage incident to unfavorable weather during the harvest period.

The area sown to wheat in Argentina for harvest in 1938-39 is officially estimated at 20,015,000 acres, compared with 19,219,000 acres in 1937-38. On the basis of weather and yield studies the production is now forecast at 260 million bushels. The crop is in good condition, but precipitation has been subnormal for the past two months and abundant rains will be essential to maintain this favorable condition.

The crop in Australia is in generally favorable condition, but more rain is needed in Western Australia and in Victoria. Since a large proportion of the crop was sown later than usual and since sub-soil moisture is deficient, adequate rainfall during the growing period will be of more than ordinary importance.

World import prospects

It now appears that total world net imports of wheat for the year beginning July 1, 1938, may be about 50 million bushels larger than last season. This indication is based on present crop estimates, carry-over stocks, and other information. Table 5 shows the forecasts of world net imports of wheat, including flour, into European deficit wheat countries and estimated shipments to non-European countries. The latter is used in the place of import figures because complete figures are not available for non-European countries. Net imports into European deficit wheat countries are forecast at 437 million bushels ^{5/} compared with 395 million bushels in 1937-38, or an increase of 42 million bushels. Shipments to non-European countries are forecast at 108 million bushels ^{6/} compared with 99 million bushels in 1937-38, or an increase of 9 million bushels.

Compared with the past season the principal increases in imports this year are indicated for the United Kingdom, Italy, and Spain, while some decrease appears probable for Greece. German imports seem likely to be maintained at a fairly high level, largely for the purpose of building up stocks. The estimates for Europe include a considerable allowance for stocks purchases and a somewhat increased utilization of wheat as feed in some countries.

^{5/} Forecasts by foreign offices of the Bureau of Agricultural Economics.

^{6/} Broomhall's Corn Trade News.

Table 4.-Production of wheat in specified countries, 1935-36 to 1938-39

Country	1935-36	1936-37	1937-38	1938-39
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTHERN HEMISPHERE:				
North America:				
United States.....	626,344	626,766	873,993	939,972
Canada.....	281,935	219,218	182,410	358,433
Mexico.....	10,712	13,606	10,586	1/ 12,000
Total (3).....	918,991	859,590	1,066,989	1,310,405
Europe:				
England and Wales.....	60,592	51,445	52,005	64,176
Scotland.....	4,480	3,547	4,181	3,957
Northern Ireland.....	362	273	164	1/ 300
Ireland.....	6,686	7,839	6,990	2/ 7,700
Norway.....	1,869	2,094	2,497	3/ 2,600
Sweden.....	23,610	21,635	25,720	4/ 25,353
Denmark.....	14,672	11,266	13,522	3/ 14,000
Netherlands.....	16,653	15,428	12,555	15,432
Belgium.....	16,101	16,153	15,550	18,482
France.....	284,950	254,618	253,537	319,667
Spain.....	157,986	121,492	4/ 132,000	5/ 102,900
Luxemburg.....	1,022	1,071	1,206	1,233
Portugal.....	22,092	8,651	14,540	16,534
Italy.....	282,760	224,570	296,284	6/ 296,960
Switzerland.....	5,974	4,470	6,221	6,096
Germany.....	171,488	162,660	164,120	3/ 183,700
Austria.....	15,509	14,039	14,470	3/ 16,500
Czechoslovakia.....	62,095	55,583	51,266	65,697
Greece.....	27,180	19,537	32,373	34,098
Poland.....	73,884	78,357	70,774	3/ 80,800
Lithuania.....	10,093	8,027	8,109	9,076
Latvia.....	6,520	5,272	6,302	7,643
Estonia.....	2,267	2,433	2,786	2,646
Finland.....	4,233	5,259	7,665	7,643
Malta.....	179	236	326	1/ 300
Albania.....	1,554	1,106	1,466	1/ 1,500
Total (26).....	1,274,811	1,097,061	1,196,629	1,304,993
Bulgaria.....	47,925	60,350	64,910	59,116
Hungary.....	84,224	87,789	72,158	96,414
Rumania.....	96,439	128,717	138,158	183,933
Yugoslavia.....	73,100	107,422	86,253	100,902
Total (4).....	301,688	384,278	361,479	440,365
Total Europe (30)....	1,576,499	1,481,339	1,558,108	1,745,358

Continued -

Table 4.-Production of wheat in specified countries, 1935-36 to 1938-39-contd.

Country	1935-36	1936-37	1937-38	1938-39
NORTHERN HEMISPHERE-Contd				
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Africa				
Algeria.....	33,532	29,774	33,106	32,433
Morocco.....	20,036	12,234	20,895	21,476
Tunisia.....	16,902	8,083	17,637	13,962
Egypt.....	43,222	45,700	45,376	45,929
Total (4).....	113,692	95,791	117,014	113,800
Asia:				
Palestine.....	3,834	2,795	4,682	<u>1/</u> 4,000
Syria and Lebanon.....	18,520	15,704	17,210	<u>1/</u> 18,000
India.....	363,216	351,680	364,075	402,453
Japan.....	48,718	45,192	50,410	<u>7/</u> 45,000
Chosen.....	9,747	8,095	11,041	10,333
Turkey.....	92,641	141,582	136,483	<u>8/</u> 147,000
Total (6).....	536,676	565,048	583,901	626,786
Total 43 countries...	3,145,858	3,001,768	3,326,012	3,796,349
Estimated Northern Hemisphere total, excluding Russia and China.....	3,225,000	3,067,000	3,392,000	3,862,000
SOUTHERN HEMISPHERE				
Argentina.....	141,462	249,193	184,801	<u>9/</u> 260,000
Australia.....	144,218	151,390	187,870	<u>1/</u> 150,000
Union of South Africa.....	23,709	16,077	10,157	<u>1/</u> 11,000
Estimated world total, excluding Russia and China.....	3,601,000	3,540,000	3,836,000	4,343,000

1/ Approximation.
 2/ Estimate of the London office of the Bureau.
 3/ Estimate of the Berlin office of the Bureau.
 4/ Winter wheat, only.
 5/ Estimate of the Paris office of the Bureau.
 6/ The Paris office of the Bureau regards this official estimate as being too high.
 7/ Estimate of the Shanghai office of the Bureau.
 8/ Estimate of the Belgrade office of the Bureau.
 9/ Based on weather conditions to date.

Compiled from official data except as otherwise noted.

Table 5.- Estimated world net imports of wheat, including flour 1/, into deficit countries, year beginning July 1, 1933-34 to 1936-37, and forecast for 1937-38

Country	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39 forecast <u>1/</u>
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
Belgium.....	43	40	39	40	37	39
Denmark.....	12	19	9	7	7	7
Finland.....	4	4	4	4	3	3
France.....	18	<u>2/</u> -17	7	7	16	16
Germany.....	<u>2/</u> - 4	11	<u>3/</u>	23	47	33
Austria.....	11	10	7	10	7	9
Greece.....	12	13	15	21	16	13
Ireland.....	19	18	15	14	14	13
Italy.....	8	10	7	54	5	17
Latvia.....	0	<u>4/</u>	<u>2/</u> - 2	1	1	0
Netherlands.....	24	19	21	21	24	24
Norway.....	9	9	8	9	7	7
Portugal.....	1	1	<u>2/</u> - 3	<u>3/</u>	1	2
Spain.....	<u>4/</u>	<u>4/</u>	<u>3/</u>	6	3	15
Switzerland.....	18	18	17	19	14	17
United Kingdom..	216	202	205	199	193	217
Miscellaneous...	<u>5/</u> 2	<u>6/</u> 1	<u>6/</u> 1			<u>7/</u> 5
Total, Europe..	393	358	350	435	395	437
Non-European countries <u>8/</u> ...	123	146	132	127	99	108
Total world....	516	504	482	562	494	545

1/ Forecast for European countries by European offices of the Bureau of Agricultural Economics.

2/ Net exports.

3/ Less than 500,000 bushels.

4/ Net exports of less than 500,000 bushels.

5/ 2 million bushels net imports by Sweden.

6/ 1 million bushels net imports by Czechoslovakia.

7/ 4 million bushels net imports by Czechoslovakia and 1 million bushel by Sweden.

8/ Shipments as reported by Broomhall in absence of reliable estimate of imports by ex-European countries.

World export prospects:

Forecasts of exports by countries are complicated this year by the return to a situation of large exportable supplies in the United States and by the announced policies of Canada 7/ and the United States 8/ with regard to exporting wheat during the current marketing season. The forecasts which are shown in table 6 are, accordingly, very tentative.

Table 6.- Net exports, year beginning July 1, 1937, forecasts of supplies available for export and net exports, year beginning July 1, 1938

Country	Year beginning July 1		
	1937	1938	
	net exports	Available for export <u>1/</u>	Forecasted net exports
	Mil. bu.	Mil. bu.	Mil. bu.
United States	100	220	100
Canada	89	240	120
Argentina	70	150) 190
Australia	123	95	
Danube countries	56	135	80
Soviet Russia	<u>2/</u> 38	--	<u>3/</u> 35
Balancing item <u>4/</u>	18		20
Total	494	840	545

1/ Total supplies less domestic requirements and carry-over. 2/ Partly estimated. 3/ See text page 14. 4/ "Other" countries and any necessary balancing between shipments and receipts resulting from differences in time and accounting. Computed as total net imports (computed as net imports into European deficit wheat countries plus shipments to non-European countries) less exports.

Not since 1931, until the present year, have quantities available for export from the United States been of large size and marketed under conditions which were highly competitive. Exports from the United States met with reduced competition in 1937-38 because of small crops in Canada and Argentina. Wheat exports from the United States have declined steadily since the World War (figure on page 1), and in 1934-36 imports of milling and feed wheats were necessary because of small United States crops of hard red spring and durum wheats and short feed grain supplies. Total imports for domestic utilization during these 3 years averaged about 4 percent of our total domestic utilization (table 11).

7/ Canadian policy, announced August 4, stated that the Canadian Wheat Board would continue its work of encouraging the use of Canadian wheat, "which will, at all times be competitive on the world's markets".

8/ United States policy, announced August 29, was designed to enable United States wheat farmers to maintain their share of the world trade.

Exports from the Danube Basin countries, Poland, and northern Africa can move into trade almost without regard to foreign competition because of trade agreements and barter arrangements.

Thus far this season, exports from the Southern part of Soviet Russia have been heavier than in any year since 1931, amounting to about 24 million bushels from July 1 to September 17. This compares with 4 million bushels for the same period a year ago. The present rapid and heavy movement of wheat from Soviet Russia is probably accounted for by a probable sizable carry-over of old crop wheat, the good harvest in the southern export regions and the early maturing of this year's crop as well as by the large proportion of combines used in harvesting wheat in the south, which tends to increase the quantity of threshed grain available immediately after the harvest. It seems reasonable to expect a slackening in exports as the season progresses, especially since crop prospects are materially below those of a year ago.

Exports of wheat from Soviet Russia, while still remaining a matter of Government policy, are likely to be dominated much less by the country's need for foreign exchange than in 1930 and 1931, when exports were forced far beyond the real exportable surplus of the country. The situation is now changed. Long-term indebtedness has decreased greatly and there has been a steady increase in the domestic production of gold.

With a total grain crop probably considerably below that of 1937, a steadily increasing population, an effort to build up the livestock industry of the country, and with the necessity to keep considerable reserve stocks for possible emergencies, it does not appear likely that exceptionally large quantities should be available for exportation in 1938-39. However, the probable existence of a considerable carry-over from last year's bumper crop adds to the uncertainty always present in forecasting Soviet Russian exports.

Tables 12 to 15 show the current wheat movement compared with a year earlier.

Prices in foreign markets

Wheat prices in foreign markets, where not fixed, continued downward during the latter part of August and early September, influenced by upward revisions in the already large production estimates, liberal offerings by exporting countries with only moderate import inquiry, and heavy marketings of United States and Canadian spring wheat. After September 9, prices temporarily strengthened as a result of the political developments in Europe and some increase in inquiry from importing countries.

On August 19, United States No. 2 Hard Winter was quoted at Liverpool at 83.8 cents compared with 67.5 cents for No. 2 Hard Winter at Kansas City, or a spread of 16.3 cents. Since that time prices in Liverpool have been weaker than in domestic markets, causing the spread between the December futures in the two markets to narrow about 4 cents. On the other hand, cash and futures prices in Kansas City have fluctuated much the same. For the week ended September 17,

Kansas City December futures and cash prices were probably unchanged compared with the week ended August 20.

Recent cash prices of imported wheat in some other markets are shown in table 7, while futures prices are shown in table 8.

For perhaps the first time in the history of the Argentine official and political life, the Chamber of Deputies of the National Congress has gone on record as favoring cooperation with other grain exporting countries to avoid a disastrous wheat price war and to defend the common interests of the wheat growers. This formal declaration of policy, made on September 2, stated that the Chamber would be pleased if the President would take up with the Governments of the grain exporting countries the question of avoiding, as far as possible, a price war, and that it would cooperate with other countries for the protection of these prices. After unanimous approval the resolution was referred to the Committee on Agriculture for consideration and study. The Government was also called upon to establish a minimum price for wheat producers.

Table 7.- Prices of imported wheat at Liverpool

Date (Friday)	Hard wheats				Soft wheats		
	U.S. (Gulf) No. 2 Hd. Winter	Argen- tine Barussco	Canada No. 3 Manitoba 1/	Russian	U. S. (Pacific) White	Austra- lian 1/	India choice Karachi 1/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1938							
July 8	88.8	100.7	108.4	92.6	87.2	98.0	91.1
15	90.2	99.4	110.2	87.9	86.3	97.1	94.0
22	91.1	96.8	113.0	83.8	84.5	96.8	93.8
29	89.0	92.1	102.9	79.8	82.9	93.6	91.3
Aug. 5	87.2	91.7	96.7	77.2	81.0	92.5	91.7
12	82.2	84.1	87.6	75.4	76.9	87.6	86.8
19	83.8	83.1	84.2	71.6	77.7	82.3	83.1
26	--	--	84.6	--	--	--	--
Sept. 2	--	--	--	--	--	--	--
9	--	73.8	71.6	60.0	70.1	72.3	71.6
16	--	--	79.5	59.7	75.0	78.8	--
:							
:							

1/ Empire wheat qualifying for Imperial Preference is exempt from duty (approximating 6 cents per bushel) under Ottawa Agreements of November 1932.

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- The carryover of wheat in the United States for the 5 years 1924-28 averaged about 115 million bushels. Stocks which began to accumulate in 1929 reached the record peak of 378 million bushels in 1933. Four small wheat crops, however, reduced stocks on a comparable basis to about 100 million bushels by July 1, 1937. Domestic disappearance during the 10 years 1928-37 averaged 680 million bushels.

Domestic wheat prices from the spring of 1933 to that of 1937 were unusually high relative to world market prices, because of four small domestic crops caused largely by abnormally low yields per acre. During 1936-37 both world and domestic prices advanced sharply as a result of increased demand and the smallest supplies in recent years.

Early in the 1937-38 season, domestic and foreign wheat prices rose sharply following reports of serious damage to the Canadian crop and the threat of rust damage in the United States. It was thought possible at that time that world prices might remain sufficiently above the 1936-37 level to offset the decline in United States prices to an export basis. However, with an increase in the estimates of the world crop, prospects of large shipments from Soviet Russia, a slow European demand, disturbed business conditions, and a falling general commodity price level, wheat prices in world markets declined.

United States supply and prospective distribution

A United States wheat crop of 940 million bushels was indicated by September 1 conditions. This is 16 million bushels less than the indications of a month earlier. Adding this current figure to the carry-over of 154 million bushels gives a total supply of 1,094 million bushels. Utilization may amount to about 700 million bushels, which would leave about 395 million bushels for export and carry-over. If about 100 million bushels are exported, carry-over stocks on July 1, 1939 would be expected to be about 295 million bushels, or without insurance stocks, about 265 million bushels. During the 5 years, 1930-34, when carry-over stocks were of record size they averaged about 325 million bushels.

The estimated 1938-39 prospective wheat supply and distribution by classes was shown in The Wheat Situation for August 25, page 24, table 4. The same issue also contained total wheat supply and distribution tables on pages 4 and 5.

Domestic wheat prices

Wheat prices in United States markets are generally about the same as a month ago (table 9) even though prices in foreign wheat markets in other countries are lower. Factors which have caused this are smaller offerings as prices continued below the Government loan basis, the announcement of conservation and price adjustment payments in connection with the 1939 agricultural program, the announcement of the surplus wheat and flour purchase and export program, together with possibilities of a general European War which might stimulate the demand for exports.

Table 8 shows recent average closing prices of December wheat futures in specified foreign and domestic markets compared with those of a year ago, and table 9 shows recent weighted average cash prices in important domestic wheat markets compared with those on corresponding dates last year.

Table 8.- Average closing prices of December wheat futures, specified markets and dates, 1937 and 1938

Date	: Winnipeg		: Liverpool		: Buenos Aires		: Chicago		: Kansas City		: Minneapolis	
	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/	: 1/
	: 1937	: 1938	: 1937	: 1938	: 1937	: 1938	: 1937	: 1938	: 1937	: 1938	: 1937	: 1938
	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents	: Cents
Month-												
July	:134.1	76.0	140.3	82.6	--	--	124.6	72.9	120.3	67.6	134.1	76.9
Aug.	:122.3	68.1	127.5	75.5	--	--	111.0	65.8	104.8	61.5	119.2	68.8
Week ended -:												
Aug. 6	:123.3	73.9	131.1	78.8	--	--	114.6	68.2	108.6	63.4	122.7	72.0
13	:125.4	69.9	129.0	75.7	--	--	113.4	64.7	107.3	60.0	122.4	68.1
20	:122.2	67.0	126.8	74.7	2/116.9	3/65.1	110.2	65.2	103.8	61.0	117.4	68.0
27	:119.5	65.2	125.0	74.6	2/115.8	3/63.8	107.5	65.2	101.2	61.4	116.0	67.7
Sept. 3	:120.3	61.0	125.4	72.2	2/115.2	3/61.9	106.8	64.7	101.2	61.2	114.7	66.6
10	:124.9	59.0	130.0	67.6	2/119.2	2/57.4	108.6	62.5	102.8	59.3	117.1	64.4
17	:123.1	63.6	129.5	71.4	2/122.6	2/61.2	104.0	65.7	98.5	61.6	112.5	67.6
High 4/	:138.9	77.6	143.4	83.0	5/122.6	5/65.1	128.0	74.7	123.8	68.9	138.4	78.5
Low 4/	:119.5	59.0	125.0	67.6	5/115.2	5/57.4	104.0	62.5	98.5	59.3	112.5	64.4

1/ Conversions at noon buying rate of exchange.
 2/ Nov. futures. 3/ Oct. futures
 4/ July 9 to September 17, 1938, and corresponding dates, 1937.
 5/ Buenos Aires for periods, and deliveries shown above.

Table 9.-Weighted average cash price of wheat, specified markets and dates, 1937 and 1938

Date	:All classes:		No. 2		: No. 1		: No. 2 Hard:		No. 2		: Western	
	:and grades		:Hard Winter:		:Dk.N.Spring:		:Amber Durum:		:Red Winter:		:White	
	:six markets:		:Kansas City:		:Minneapolis:		:Minneapolis:		:St. Louis:		:Seattle 1/	
	:1937	:1938	:1937	:1938	:1937	:1938	:1937	:1938	:1937	:1938	:1937	:1938
	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents	:Cents
Month-	:	:	:	:	:	:	:	:	:	:	:	:
July	:118.7	68.4	122.5	70.0	151.2	87.6	133.0	79.8	122.0	68.9	110.0	67.8
Aug.	:107.5	68.8	111.8	65.5	132.8	77.5	116.3	73.1	112.0	65.6	98.3	61.2
Week	:	:	:	:	:	:	:	:	:	:	:	:
ended-	:	:	:	:	:	:	:	:	:	:	:	:
Aug. 6	:106.6	67.6	113.2	67.4	139.0	80.5	137.5	72.1	113.6	66.7	102.1	63.9
13	:106.6	67.0	111.8	63.7	137.4	76.4	123.5	74.2	111.2	63.5	101.2	59.7
20	:107.2	69.3	108.9	64.6	129.8	76.8	120.9	74.4	109.4	66.3	97.4	59.8
27	:109.7	71.0	107.8	65.4	130.3	77.4	114.8	73.5	106.8	66.4	94.2	61.0
Sept. 3	:108.9	69.5	107.9	66.7	130.2	76.2	113.0	69.5	107.4	66.6	94.6	62.1
10	:110.8	66.8	112.2	62.8	138.1	75.3	112.8	67.6	111.1	64.1	95.5	61.0
17	:106.3	66.4	106.6	64.6	132.0	78.8	106.5	70.2	106.8	67.4	91.1	---
:	:	:	:	:	:	:	:	:	:	:	:	:
High <u>2/</u>	:123.0	71.0	125.3	71.1	156.2	97.6	142.0	83.4	124.5	69.1	113.8	69.4
Low <u>2/</u>	:106.3	65.9	106.6	62.8	129.8	75.3	106.5	67.6	106.8	63.5	91.1	59.7

1/ Weekly average of daily cash quotations, basis No. 1 sacked.

2/ July 9 to August 17, 1938 and corresponding dates for 1937.

Table 10.-Wheat surplus for export or carry-over in three exporting countries, United Kingdom port stocks and stocks afloat, Sept. 1, 1935-38 1/

Position	: 1935	: 1936	: 1937	: 1938
	: <u>Mil. bu.</u>	: <u>Mil. bu.</u>	: <u>Mil. bu.</u>	: <u>Mil. bu.</u>
Canada:	:	:	:	:
In Canada	348	207	108	274
In United States ...:	19	18	3	1
Argentina	46	25	13	25
Australia	42	28	20	26
Total	455	278	144	326
United Kingdom port	:	:	:	:
stocks	7	8	11	16
Stocks afloat to:	:	:	:	:
United Kingdom	9	13	7	10
Continent	5	7	7	14
Orders	5	4	6	15
Total	26	32	31	55
Grand total	481	310	175	381

1/ Carry-over at the beginning of the year (Canada, July 31; Argentina, January 1; Australia, December 1 of the previous year) plus production, minus domestic utilization for the year, minus monthly exports to date.

Table 11.-Wheat: Imports into the United States for domestic utilization and for grinding in bond, and export, annually 1923-24 to 1937-38 and monthly, July 1937 to June 1938

Crop year	Fully duty wheat (tariff 42 cents)	Wheat unfit for human consumption (tariff of 10 percent ad valorem) 1/	Total imports for domestic utilization (total of first 2 columns)	For grinding in bond and export 2/
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
1923-24	13,783,423	---	13,783,423	13,904,837
1924-25	272,548	---	272,548	5,813,353
1925-26	1,664,843	---	1,664,843	13,421,480
1926-27	48,808	---	48,808	13,171,683
1927-28	161,297	---	161,297	15,043,679
1928-29	79,136	---	79,136	22,480,962
1929-30	44,607	---	44,607	12,903,364
1930-31	40,756	307,336	348,092	19,013,090
1931-32	6,057	---	6,057	12,878,851
1932-33	5,767	1,354	7,121	9,372,151
1933-34	143,656	5,729	149,385	11,341,052
1934-35	5,905,380	8,146,044	14,051,424	11,064,092
1935-36	25,288,519	9,205,128	34,493,647	11,978,659
1936-37	30,205,430	4,057,016	34,262,446	13,468,667
1937-38	597,776	4,150	601,926	2,843,044
1937-				
July	490,060	3,650	493,710	769,719
Aug.	101,400	0	101,400	766,290
Sept.	1,274	0	1,274	452,105
Oct.	103	500	603	348,167
Nov.	60	0	60	182,527
Dec.	180	0	180	78,000
1938-				
Jan.	3,553	0	3,553	50,293
Feb.	110	0	110	25,400
Mar.	462	0	462	7,650
Apr.	566	0	566	6,700
May	8	0	8	46,130
June	0	0	0	110,063

Imports for consumption from United States Tariff Commission, July 1923 to December 1933, and from Bureau of Foreign and Domestic Commerce, January 1934 to date.

1/ Beginning June 18, 1930, a new classification, wheat unfit for human consumption, was introduced by the 1930 Tariff Act.

2/ Wheat for grinding in bond for export, which enters duty free. Beginning June 18, 1930, includes wheat ground into flour in bond for export to Cuba, a new classification in the 1930 Act. From June 18, 1930 to September 3, 1936 the duty on this wheat equaled the reduction in Cuban duty and the reduction in the consumption tax applicable by treaty to such flour imported into Cuba. On September 3, 1936 the consumption tax was repealed. "The wheat milling in bond provision" was discussed in The Wheat Situation, January 25, 1938, pages 11-12.

Table 12.- Shipments of wheat, including flour from principal exporting countries, specified dates, 1937 and 1938

Period	Argentina		Australia		Danube		North America	
	1937	1938	1937	1938	1937	1938	1937	1938
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels	bushels
July	3,168	6,544	5,684	8,084	1,376	552	10,040	16,664
Week ended-								
Aug. 6	888	1,116	1,812	2,608	472	0	2,512	4,288
13	876	1,032	1,472	2,104	584	312	2,560	4,192
20	856	600	916	2,104	872	192	4,072	4,376
27	968	1,572	1,444	2,576	1,520	672	2,848	3,760
Sept. 3	996	1,444	836	2,160	712	144	2,160	4,104
10	892	768	944	1,450	1,144	456	2,128	3,416
17	560	1,114	380	1,363	1,616	616	2,904	4,196

Compiled from Broomhall's Corn Trade News.

Table 13.- Exports of wheat and wheat flour from the United States, 1937 and 1938

(Includes flour milled in bond from foreign wheat)

Period	Wheat		Wheat flour		Wheat incl. flour	
	1937	1938	1937	1938	1937	1938
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	barrels	barrels	bushels	bushels
July	2,145	10,844	264	409	3,385	12,764
Week ended ^{1/}						
Aug. 6	758	1,673	45	36	970	1,842
13	1,484	2,196	40	71	1,672	2,530
20	1,058	2,469	47	25	1,279	2,587
27	1,343	2,478	26	35	1,465	2,642
Sept. 3	523	1,832	44	70	730	2,161
10	784	558	68	42	1,104	755
17	724	508	18	72	809	846

^{1/} Data for total exports from the United States by weeks are not available. These data are the total of exports through 16 of the principal ports.

^{2/} Preliminary.

Compiled from reports of the Department of Commerce.

Table 14.- Movement of wheat, including flour, from principal exporting countries, 1934-35 to 1938-39

Country	Exports as given by official sources						Date
	Total						
	1934-35	1935-36	1936-37	1936-37	1937-38	1938-39	
	1,000	1,000	1,000	1,000	1,000	1,000	
	bushels	bushels	bushels	bushels	bushels	bushels	
United States 1/.....	21,532	15,929	21,584	1,389	3,385	12,764	July 31
Canada	169,630	237,447	213,028	50,817	17,954	16,076	Aug. 31
Argentina	187,000	76,577	162,977	8,527	7,765	10,652	Aug. 31
Australia	108,009	105,328	98,730				
Russia	4,286	29,704	4,479				
Hungary	12,499	14,644	27,428				
Yugoslavia	4,401	728	17,954				
Rumania	3,432	6,391	35,540				
Bulgaria	375	988	7,273				
British India	2,318	2,556	14,674				
Total	513,480	487,222	599,363				
	Shipments as given by trade sources						
	Total						
	Week ended 1938:						
	1936-37	1937-38	Sept. 3	Sept. 10	Sept. 17	1937	1938
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushel.
North America 2/.....	231,832	184,720	4,104	3,416	4,196	29,224	44,996
Canada, 4 markets 3/..	194,531	86,595	2,986	4,490	8,431	16,335	27,353
United States 4/.....	10,395	83,651	2,161	755	846	10,820	22,307
Argentina	164,678	66,898	1,444	768	1,114	9,204	14,190
Australia	105,836	128,184	2,160	1,450	1,363	13,488	22,449
Russia	88	42,248	2,368	3,960	1,304	4,456	24,024
Danube & Bulgaria 5/.	65,544	37,320	144	456	616	8,296	2,944
British India	6/14,674	15,714	328	240	8	6,168	5,888
Total 7/.....	582,652	475,084				70,836	114,491
Total European ship- ments 2/.....	484,670	397,656	9,104			8/45,968	8/78,720
Total ex-European shipments 2/.....	127,192	99,400	1,584			8/14,840	8/19,552

1/ Includes flour milled in bond from foreign wheat.
 2/ Broomhall's Corn Trade News.
 3/ Fort William, Port Arthur, Vancouver, Prince Rupert, and New Westminster.
 4/ Official reports received from 16 principal ports only.
 5/ Black Sea shipments only.
 6/ Official.
 7/ Total of trade figures includes North America as reported by Broomhall's but does not include items 2 and 3.
 8/ To September 3, only.

Table 15.-Net imports of wheat, including flour, into European countries, year beginning July 1, 1937-38 and 1938-39.

Country	Net imports reported				
	: 1937-38	: 1938-39	: July 1	: 1937-38	: 1938-39
	: Mil. bu.	: Mil. bu.	: forecast to	: Mil. bu.	: Mil. bu.
Belgium.....	37	39			
Czechoslovakia.....	<u>1</u> /- 1	4	July 31	<u>2</u> /	1
Denmark.....	7	7	July 31	1	1
Finland.....	3	3	July 31	<u>3</u> /	<u>3</u> /
France.....	16	16	July 31	1	1
Germany.....	47	33	July 31	8	1
Austria.....	7	9	July 31	1	1
Greece.....	16	13			
Ireland.....	14	13	July 31	1	1
Italy.....	5	17	July 31	4	<u>3</u> /
Latvia.....	1	0			
Netherlands.....	24	24	July 31	2	2
Norway.....	7	7	July 31	<u>3</u> /	<u>3</u> /
Poland.....	0	<u>1</u> / - 6	July 31	<u>2</u> /	<u>2</u> /
Portugal.....	1	2		-	-
Sweden.....	<u>1</u> /- 1	1	July 31	<u>3</u> /	<u>3</u> /
Switzerland.....	14	17	July 31	1	1
United Kingdom.....	193	217	July 31	17	18
Total imports of above.....	392	422		36	25
Spain.....	3	15			
Total imports.....	395	437			
Total exports.....	2	6			
Total net imports.....	393	431			

1/ Net exports
2/ Net exports of less than 500,000 bushels.
3/ Less than 500,000 bushels.

Compiled from official sources except as otherwise stated.

RYE PRODUCTION

On the basis of present estimates the world production of rye (excluding Soviet Russia and China) in 1938 will be about 105 million bushels above the production of last year. Production in North America is about 10 million bushels above that of 1937. The three largest European producers, Germany, Poland and Czechoslovakia, combined show an increase of about 85 million bushels. This increase, however, may not fully materialize as excessive rains in Czechoslovakia are reported to have reduced the harvest substantially. In the Danube Basin countries the production this year is indicated to be about 16 million bushels above that of last year. In Soviet Russia the net harvest is estimated to be only two-thirds of last year's good crop.

Table 16.- Estimated rye production in specified countries

Country	1935	1936	1937	1938
	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels
NORTH AMERICA:				
United States	58,597	25,319	49,449	52,500
Canada	9,606	4,281	5,771	12,365
Total (2)	68,203	29,600	55,220	64,865
EUROPE:				
Belgium	15,038	14,059	13,583	15,432
Czechoslovakia	64,501	56,548	58,446	1/ 66,900
Denmark	11,177	7,842	9,889	1/ 10,600
England and Wales ..	372	344	280	1/ 300
Estonia	6,804	6,044	8,327	6,929
Finland	13,760	12,134	16,982	14,074
France	29,371	28,150	29,119	1/ 32,300
Germany	294,399	290,793	272,296	1/ 305,100
Austria	24,416	18,610	16,830	1/ 22,600
Greece	2,183	1,654	2,579	2,559
Ireland	69	68	55	79
Italy	6,225	5,204	5,701	5,333
Latvia	14,326	11,260	16,479	14,369
Lithuania	25,221	21,354	23,894	24,644
Luxemburg	452	449	392	426
Netherlands	18,311	18,736	18,928	20,668
Norway	483	425	465	1/ 400
Poland	260,498	250,536	221,949	1/ 265,700
Portugal	4,635	3,466	4,642	1/ 4,700
Spain	19,245	18,053	19,684	1/ 16,900
Sweden	16,902	13,838	16,250	2/ 15,353
Switzerland	1,295	1,077	1,296	1,281
Total (22)	829,683	780,344	758,066	846,647
Bulgaria	7,767	8,188	9,387	8,822
Hungary	28,650	28,114	24,325	32,255
Rumania	12,724	17,842	17,768	26,364
Yugoslavia	7,719	8,002	8,239	9,051
Total (4)	56,860	62,146	59,719	76,492
Total (26)	886,543	842,790	817,785	923,139

1/ Estimate of the Berlin office of the Bureau of Agricultural Economics.

2/ Winter wheat only.

Compiled from official data, except as otherwise noted.

Changes in Tables Accompanying Wheat Charts in The Wheat Situation
for August 25, 1938

Pages 4-5.-Wheat: Supply, distribution, and disappearance in continental United States, 1923-38

Crop year: beginning: July	Supply		Distribution			Disappearance	
	Imports (flour 3/	Total supply	Exports (wheat only)	Exports : flour as wheat	Total	Foods and commercial feeds	Total
	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels	: 1,000 bushels
<u>With new wheat in commercial and merchant mill stocks</u>							
1936	: 34,455	803,297				497,978	688,132
1937	: 634	977,516	83,747	16,413	103,481	494,091	700,397
<u>With only old wheat in all stocks positions</u>							
1937	: 634	957,841	83,747	16,413	103,481	493,982	700,288

3/ From reports of Foreign and Domestic Commerce of the United States. Imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and flour in terms of wheat; and exclude flour free for export as follows: 42,742 bushels in 1935-36, and 108,095 bushels in 1937-38.

Page 6.- 1938, yield per seeded acre 11.6 bushels; production 939,972,000 bushels.

Page 9.- 1937, production 3,836 million bushels.

Page 10.-Wheat: Estimated world supply, disappearance and prices.

Year be- ginning July	World production	Stocks on : about July 1	Total supply	Total disappearance
1934	:	1,193	4,738	3,785
1935	:	953	4,584	3,818
1936	:	766	4,310	3,775
1937	: 3,836	539	4,413	3,798

Page 11.-August 1938, Parcels, Liverpool 84.7 cents, No. 2 Hard Winter, K. C. 65.5 cents; spread 19.2 cents.

